

Message Text

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ORIGIN OPIC-12

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16

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SPECIAL CHARGES: OPIC

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R 152203Z JUL 74

FM SECSTATE WASHDC

TO AMCONSUL HONG KONG

UNCLAS STATE 152611

E.O. 11652: N/A

TAGS:EFIN

SUBJECT: OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC)- WOOD
PRODUCTS INTERNATIONAL, LTD. (WPIL) PURCHASE AGREEMENT

1. IN EFFORT TO SPEED THIS LONG STANDING TRANSACTION, OPIC WOULD
APPRECIATE AMCONSUL ASSISTANCE IN DELIVERING TO RODNEY SWAYNE
OF DEACON'S LAW FIRM COPY OF THIS TELEGRAM

2. OPIC-WPIL PURCHASE AGREEMENT:

A. TRANSACTION NOW APPROACHING CLOSING; FOLLOWING IS SUGGESTED
TEXT YOUR LEGAL OPINION TO OPIC. PLEASE LET US KNOW ANY CHANGES
YOU CONSIDER APPROPRIATE. WE WILL CONFIRM THIS TELEGRAM BY POST.

B. TEXT:

QUOTE... REFERENCE IS MADE TO THE PURCHASE AGREEMENT (THE "
AGREEMENT") DATED AS OF THE DATE OF THIS OPINION BETWEEN OVERSEAS
PRIVATE INVESTMENT CORPORATION (THE "LENDER") AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND WOOD PRODUCTS
INTERNATIONAL, LTD. ("WPIL"). A CORPORATION ORGANIZED AND
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EXISTING UNDER THE LAWS OF HONG KONG. YOU HAVE ASKED OUR OPINION

WITH RESPECT TO WPIL AND THE AGREEMENT, ABOUT WHICH WE HAVE EXAMINED SUCH WPIL DOCUMENTS, GOVERNMENTAL ACTIONS AND QUESTIONS OF LAW AS WE HAVE DEEMED RELEVANT THERETO. BASED ON THE FOREGOING, IT IS OUR OPINION THAT:

1. WPIL IS A DULY ORGANIZED CORPORATION EXISTING IN GOOD STANDING UNDER THE LAWS OF HONG KONG, AND HAS THE CORPORATE POWER TO OWN ITS PROPERTY AND TO CARRY ON ITS BUSINESS AS NOW BEING CONDUCTED AND AS PROPOSED TO BE CONDUCTED INCLUDING PERFORMANCE OF THE AGREEMENT.

2. THE MAKING AND PERFORMANCE OF THE AGREEMENT AND THE PURCHASE BY WPIL OF E NOTES THE REUNDER ARE PERMITTED BY THE APPLICABLE LAWS OF HONG KONG, ARE WITHIN WPIL'S CORPORATE POWERS, AND HAVE BEEN DULY AUTHORIZED BY ALL NECESSARY CORPORATE ACTION. THE AGREEMENT IS THE LEGAL, VALID AND BINDING OBLIGATION OF WPIL ENFORCEABLE AGAINST WPIL IN ACCORDANCE WITH ITS TERMS (SUBJECT, AS TO ENFORCEMENT OF REMEDIES, TO GENERALLY APPLICABLE BANKRUPTCY, REORGANIZATION, INSOLVENCY AND MORATORIUM LAWS AND OTHER LAWS APPLICABLE GENERALLY TO CREDITORS' RIGHTS FROM TIME TO TIME IN EFFECT).

3. BASED UPON WRITTEN CERTIFICATION FROM WPIL (ATTACHED HERETO) AND TO THE BEST OF OUR KNOWLEDGE AND BELIEF BASED UPON REASONABLE INQUIRY:

(A) THERE IS NO ACTION, SUIT, INVESTIGATION OR PROCEEDING PENDING OR, TO THE BEST OF WPIL'S KNOWLEDGE AND BELIEF, THREATENED AGAINST WPIL BEFORE ANY COURT, ARBITRATOR OR ADMINISTRATIVE OR GOVERNMENTAL BODY WHICH MIGHT MATERIALLY ADVERSELY AFFECT THE BUSINESS OR FINANCIAL CONDITION OR OPERATIONS OF WPIL.

(BA) NO DEFAULT EXISTS UNDER THE PROVISIONS OF ANY INSTRUMENT EVIDENCING ANY OUTSTANDING INDEBTEDNESS OF WPIL OR UNDER THE PROVISIONS OF ANY AGREEMENT RELATING TO SUCH OUTSTANDING INDEBTEDNESS. NEITHER THE EXECUTION NOR DELIVERY OF THE AGREEMENT NOR THE PURCHASE BY WPIL OF THE E NOTES THEREUNDER, NOR FULFILLMENT NO PERFORMANCE OF THE TERMS AND PROVISIONS THEREOF WILL CONTRAVENE, OR CONFLICT WITH, OR RESULT IN A BREACH OF THE TERMS, CONDITIONS OR PROVISIONS OF, OR CONSTITUTE A DEFAULT UNDER, OR RESULT IN UNCLASSIFIED

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ANY VIOLATION OF, OR RESULT IN THE CREATION OF ANY LIEN UPON ANY OF THE PROPERTIES OR ASSETS OF WPIL PURSUANT TO, THE ARTICLES OF ASSOCIATION OR BY-LAWS OF WPIL, ANY AWARD OF ANY ARBITRATOR, ANY ORDER, JUDGMENT, DECREE, STATUTE, LAW, RULE OR REGULATION OR, IN ANY MATERIAL RESPECT, ANY AGREEMENT, INSTRUMENT OR OTHER CONTRACTUAL RESTRICTION BINDING ON WPIL.

(C) WPIL HAS FILED ALL INCOME, FRANCHISE AND OTHER TAX RETURNS

OR OTHER TAXATION DOCUMENTS WHICH, TO THE KNOWLEDGE OF ITS OFFICERS, ARE REQUIRED TO BE FILED, AND HAS PAID ALL OF ITS TAXES THAT HAVE BECOME DUE.

(D) WPIL IS NOT A PARTY TO ANY CONTRACT OR AGREEMENT OR SUBJECT TO ANY CHARTER OR OTHER CORPORATE RESTRICTION WHICH MATERIALLY RESTRICTS THE CONDUCT OF ITS BUSINESS OR ITS USE OF ITS PROPERTY OR ASSETS.

4. EACH AUTHORIZATION, APPROVAL, EXEMPTION, ORDER, AGREEMENT AND CONSENT OF, AND FILING WITH, EACH GOVERNMENTAL OR PUBLIC BODY OR AUTHORITY WHICH IS NECESSARY UNDER THE LAW OF HONG KONG FOR THE EXECUTION, DELIVERY AND PERFORMANCE BY WPIL OF THE AGREEMENT, THE SALE OF E NOTES BY OPIC TO WPIL PURSUANT THERETO, AND THE ENFORCEMENT OF THE AGREEMENT IN ACCORDANCE WITH ITS TERMS HAS BEEN OBTAINED AND REVIEWED BY US, AND IS UNCONDITIONALLY IN FULL FORCE AND EFFECT (SUBJECT, AS TO ENFORCEMENT OF REMEDIES, TO GENERALLY APPLICABLE BANKRUPTCY, REORGANIZATION, INSOLVENCY AND MORATORIUM LAWS AND OTHER LAWS GENERALLY APPLICABLE TO CREDITORS' RIGHTS FROM TIME TO TIME IN EFFECT).

5. EACH RULING, APPROVAL AND OTHER ACTION BY APPROPRIATE AUTHORITIES OF HONG KONG HAS BEEN ISSUED AND IS IN FULL FORCE AND EFFECT TO THE EXTENT THAT IT IS REQUIRED FOR: (I) APPROVAL OF THE AGREEMENT AND THE SALE OF THE E NOTES TO WPIL THEREUNDER, (II) ASSURANCE THAT SUFFICIENT UNITED STATES DOLLARS SHALL BE MADE AVAILABLE FOR PAYMENT OF ALL AMOUNTS DUE TO THE LENDER UNDER THE AGREEMENT AND FOR REPATRIATION OF THE PROCEEDS OF ANY SALE OF THE E NOTES IN HONG KONG, AND (III) ASSURANCE THAT THIS AGREEMENT, THE SALE OF THE E NOTES THEREUNDER AND ALL SUCH PAYMENTS SHALL BE FREE OF ALL TAXES ON THE LENDER IMPOSED BY HONG KONG AND EACH GOVERNMENTAL SUBDIVISION THEREOF... UNQUOTE"

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3. THANK YOU FOR YOUR ASSISTANCE. KISSINGER

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